

NEW APPLICATION

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July 27, 2012

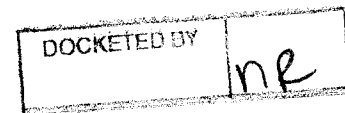
Arizona Corporation Commission  
DOCKETED

JUL 27 2012

**VIA HAND DELIVERY**

Ernest Johnson, Executive Director  
Arizona Corporation Commission  
Utilities Division  
1200 W. Washington Street  
Phoenix, AZ 85007-2927

T-20613A-12-0341



**Re: Notification of Indirect Change of Control of Mercury Voice and Data, LLC**

Dear Mr. Johnson:

On behalf of Cequel Communications Holdings, LLC ("Cequel Holdings"), its wholly-owned subsidiary Mercury Voice and Data, LLC ("Mercury Voice") and Nespresso Acquisition Corporation ("Nespresso") (collectively "the Parties"), this letter advises the Arizona Corporation Commission ("Commission") that Cequel Holdings and Nespresso have entered into a transaction whereby Cequel Holdings will become a wholly-owned subsidiary of Nespresso and thereby Nespresso will acquire indirect control of Mercury Voice, the entity which is certificated to provide facilities-based local and interexchange services in Arizona (hereafter referred to as the "Transaction"). The Parties understand that Commission approval is not required for the Transaction, which is described below.

**I. BACKGROUND INFORMATION**

Mercury Voice was issued a CC&N by the Commission on February 3, 2010 (Decision No. 71480). As projected in its application for such authority, it had less than \$1 million in jurisdictional revenues in 2010. Similarly, in 2011 it also had less than \$1 million in jurisdictional revenues. No other telecommunications affiliates of Mercury Voice or Cequel Holdings currently provide telecommunications service in Arizona, thus they have no revenues in Arizona. Therefore, the Arizona Affiliated Interest Rules, A.A.C. R12-2-801 to R12-2-806, requiring utilities with greater than \$1 million in jurisdictional revenues to obtain prior approval for a change of control and/or an internal reorganization transaction do not apply in this matter.

Because the change of control will occur at the parent company level, no assets of the regulated utility will be sold, leased, encumbered, or otherwise disposed of by the utility. Therefore, A.R.S. §40-285 does not apply to this transaction. Additionally, because Mercury Voice and Cequel Holdings are foreign public service corporations whose physical facilities are used in providing communications services in interstate commerce, the stock transfer is exempt from Commission approval under A.R.S. § 40-301(D).

The Transaction will not cause any change in the direct ownership or legal structure of Mercury Voice, nor will it affect the company's daily management or operations. Further, Mercury Voice will continue to provide high-quality communications services to its customers without interruption, and there are no existing plans to discontinue any service or to implement any changes in rates, terms, or conditions in connection with the Transaction. This letter is filed for informational purposes only to ensure the continuing accuracy of the Commission's records.

In furtherance of this notice, the Parties provide the following information:

## **II. THE PARTIES**

### **A. Mercury Voice**

Mercury Voice is a U.S. entity formed under the laws of Delaware, as a limited liability company, with principal offices at 12444 Powerscourt Drive, St. Louis, Missouri 63131. Mercury Voice is a wholly-owned subsidiary of Cequel Holdings, which indirectly owns and controls 100% of the issued and outstanding equity ownership interests of Mercury Voice. In Arizona, Mercury Voice is authorized to provide resold and facilities-based local exchange and resold and facilities-based long distance telecommunications services pursuant to authority granted by this Commission in Decision No. 71480, issued in Docket No. T-20613A-08-0420 on February 3, 2010. On July 8, 2011, Mercury Voice notified the Commission that it would be doing business in Arizona under the name SuddenLink. Tariffs reflecting the new name were reissued on that same date. Mercury Voice has a \$225,000 performance bond on file with the Commission. Mercury Voice is also authorized by the Federal Communications Commission ("FCC") to provide interstate telecommunications services as a non-dominant carrier. Mercury Voice provides telecommunications services solely to business customers.

### **B. Cequel Holdings**

Cequel Holdings is a U.S. entity formed under the laws of Delaware, as a limited liability company, with principal offices at 12444 Powerscourt Drive, St. Louis, Missouri 63131. Through its operating company subsidiaries, Cequel Holdings owns and operates a multi-service communications business which provides cable television, broadband Internet access, and Voice over Internet Protocol ("VoIP") services to residential and commercial subscribers.

**C. Nespresso Acquisition Corporation**

Nespresso Acquisition Corporation is a Delaware corporation that was formed for the purpose of acquiring the equity of Cequel Holdings, with principal offices at 667 Madison Avenue, New York, NY 10065. Its principal business is to act as a holding company for Cequel Holdings. Nespresso is not a telecommunications provider or a provider of any other communications service.

**III. DESIGNATED CONTACTS**

The designated contacts for all correspondence, notices, inquiries, and orders in relation to this notice are:

For Mercury Voice and Cequel Holdings:

Craig L. Rosenthal  
Dennis Moffit  
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#### **IV. DESCRIPTION OF THE TRANSACTION**

On July 18, 2012, Cequel Holdings and Nespresso executed a Purchase and Sale Agreement whereby Cequel Holdings will become a wholly-owned subsidiary of Nespresso, and Nespresso will thereby acquire control of Cequel Holdings. At the closing, the purchaser Nespresso will become the new investor in Cequel Holdings, replacing the current equity holders of Cequel Holdings. Because the Transaction will be completed at the holding company level, it will be entirely seamless and transparent to customers of Mercury Voice. Immediately upon closing the Transaction, Mercury Voice's management, operations, and service offerings will remain intact and continue as is, without change. Thus, this Transaction will not, upon closing, result in any change in the Mercury Voice's operations.

A chart showing the pre- and post-Transaction ownership structure of Mercury Voice is attached as Exhibit A.

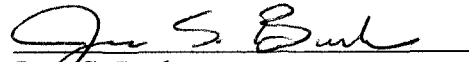
#### **V. PUBLIC INTEREST CONSIDERATIONS**

Mercury Voice submits that this Transaction will serve the public interest. Under new ownership, Mercury Voice will continue to provide high-quality telecommunications services, while gaining access to the additional resources and operational expertise of Nespresso. The Transaction, therefore, will give the company the ability to become a stronger competitor, to the ultimate benefit of Arizona consumers. Further, no existing or potential competitors will be eliminated as a result of the Transaction and no competitor of Mercury Voice will be directly affected. The Transaction will strengthen the company's ability to compete with other, much larger telecommunications providers in Arizona and elsewhere, to the benefit of consumers and the telecommunications marketplace.

Under this Transaction, Mercury Voice's registration will continue unchanged. The Transaction will not cause any immediate change in the direct ownership or legal structure of Mercury Voice and the company will continue to provide service to existing customers pursuant to the current rates, terms and conditions of such services. Future changes in those rates, terms and conditions, if any, will be undertaken pursuant to the applicable federal and state notice and tariff requirements. There will be no interruption or disruption of service to customers. Therefore, this transaction will be seamless and transparent to Mercury Voice's customers.

Accordingly, the Transaction will have no adverse effect on any of Mercury Voice's customers or competition in the State of Arizona, and is in the public interest.

Respectfully submitted,



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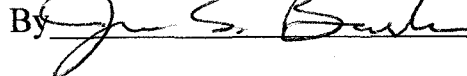
*Counsel for Mercury Voice and Data, LLC*

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*Counsel for Nespresso Acquisition Corporation*

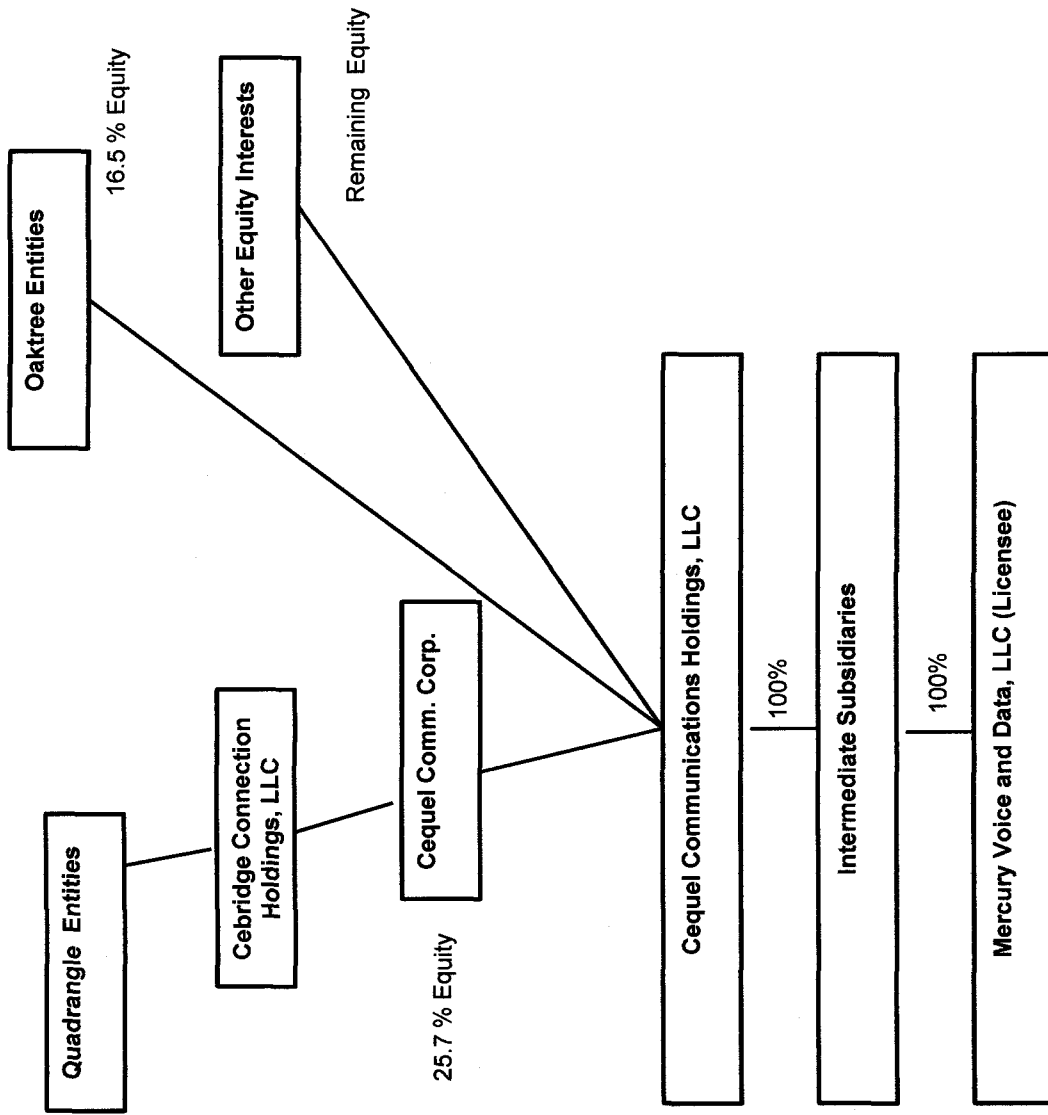
ORIGINAL + 13 copies of the foregoing filed this 27<sup>th</sup> day of July, 2012, with:

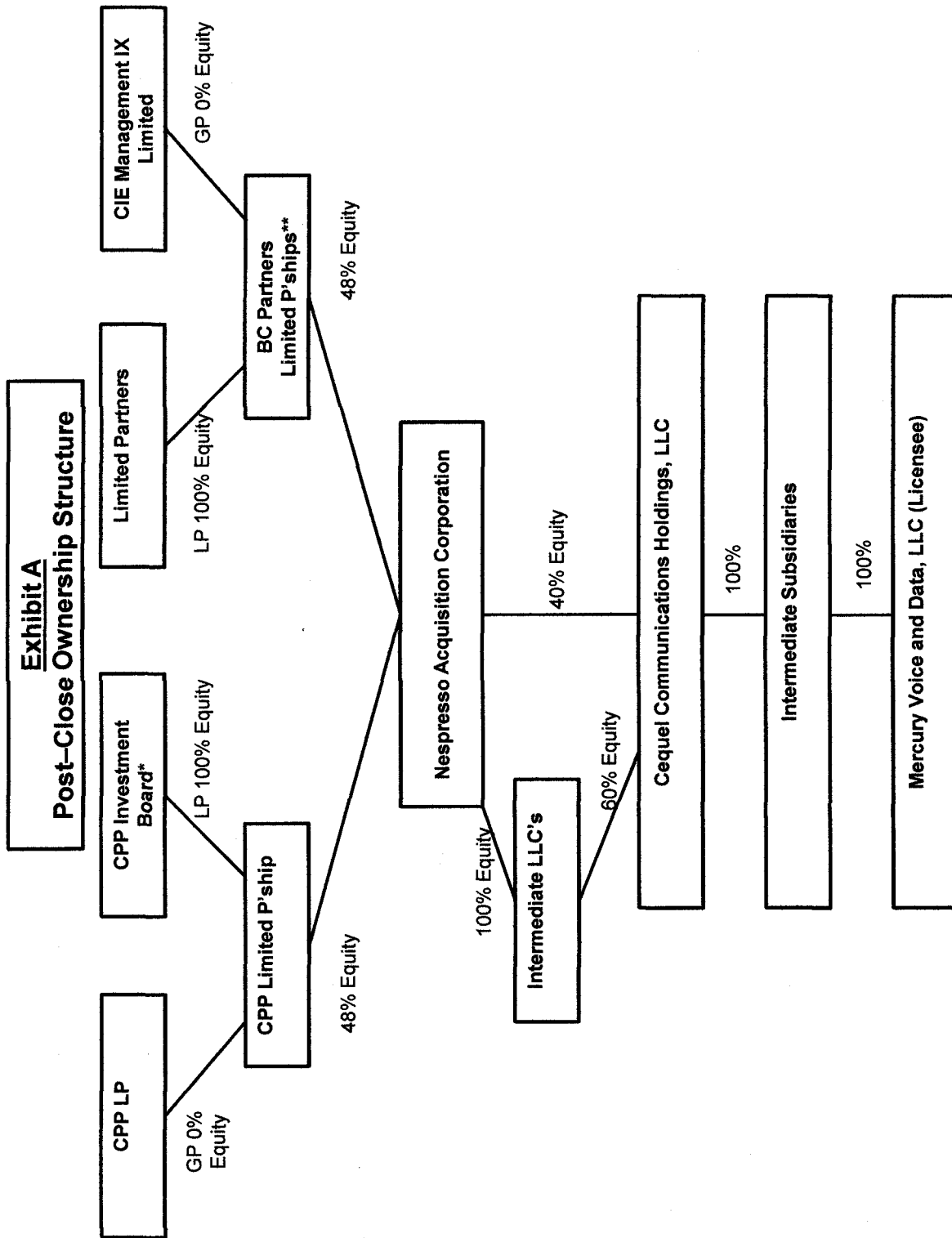
Docket Control  
Arizona Corporation Commission  
1200 West Washington Street  
Phoenix, Arizona 85007

By 

**Exhibit A**  
**Pre-Close Ownership Structure**

Note: Quadrangle holds  
56.9 % Equity  
in Cebridge Connections Holdings, LLC  
and (through that interest)  
15% Equity  
In Cequel Communications Holdings, LLC  
(co-applicant)





\* CPP Investment Board is an investment management organization incorporated in Canada which invests the assets of the Canada Pension Plan

\*\* Initially there will be 10-12 limited partnerships, none of which will hold more than 4.5% of the equity of Nespresso Acquisition Corporation. Prior to consummation of the transfer of control, some or all of the limited partners may syndicate a portion of their investments, in effect assigning such portions to one or more additional entities.